



Business Recovery Guide: Floods

QUICK ACCESS TO RESOURCES

- Getting & Saving Money
- Repair & Clean Up
- Other Considerations
- Helpful Contacts

This guide is a
product of a partnership between the
Washington Military Department
Emergency Management Division,
the **Department of Commerce**
and local partners.





Department of Commerce
Innovation is in our nature.



April 16, 2010

Dear Business Owner,

Only a few years ago, many homes and businesses in Western Washington experienced another “hundred year” flood. Buildings, public infrastructure, livestock, lives and livelihoods were devastated. While long-term recovery continues and plans and preventive measures are ongoing against future damaging flood waters, this crisis serves as a reminder that nature is unpredictable and the best protection is to be prepared for the next potential flood disaster.

That’s why a group of state and local agencies contributed to the *Business Recovery Guide: Floods*. This handbook is designed to provide a reference to business recovery resources in the event of flooding and should supplement — but not replace — disaster preparedness.

Compiled for quick access are dozens of tips, Website links, important federal, state and local phone numbers and more to help you recover from flooding. This handbook gives you information on everything from tax relief and small business assistance to handling clean-up, rebuilding, working with FEMA, and much more.

Please take time to read through the handbook. You might also tear off the back page, fill in your local information and keep it in a safe, easily accessible place for emergencies. This one page will provide quick and easy access to the crucial contact information you will need to respond to a flood. We also encourage you to bookmark in your computers the Washington Military Department Emergency Management Division’s Website at www.emd.wa.gov. During emergencies you will find up-to-date information that will assist you as you respond, recover, and resume your business activities.

This handbook on floods is the first step in developing a comprehensive recovery guide for Washington businesses. On behalf of the Department of Commerce, Washington State Emergency Management Division and our many local partners, we urge you to use and share this document.

Department of Commerce

Washington State Military Department

GETTING & SAVING MONEY

FEDERAL & STATE TAX RELIEF

FEDERAL:

If you have experienced a casualty loss from a presidentially-declared disaster, you can deduct that loss from your federal income tax return. You may even file amended returns for past years and the Internal Revenue Service (IRS) can expedite your refund, providing you with a quick source of cash that does not have to be repaid. For details, download the [Disaster Loss Kit for Businesses Publication 2194-B](#) or contact the IRS Special Disaster Hotline at (866) 562-5227 or your local IRS office. Locations are listed in the back of this guide or at www.irs.gov/localcontacts.

STATE:

Property Tax Relief — Any real or personal property that has been damaged or destroyed is eligible for a reduction of assessed value that would result in lower property taxes and possible refunds. Property in a declared disaster area may also be eligible for a reduction in taxable value, even if it was not damaged, if its true market value was reduced by more than 20 percent due to negative local economic conditions. An application must be filed within three years of the date of destruction or reduction in value. Property owners may apply for relief at the county assessor's office or by downloading these forms:

- [Taxpayer's Claim for Reduction of Assessments Resulting from Destroyed Real or Personal Property or Loss of Value in a Declared Disaster Area](#)
- [Petition for Property Tax Refund](#)

Excise Tax Return Extensions — The Department of Revenue may give excise tax return filing extensions in the event of natural disasters. Extensions must be requested by the due date and, if an extension is more than 30 days, you must pay an amount equal to the estimated tax liability for the reporting period you receive the extension.

Penalty Waivers — Department of Revenue may also waive late return penalties under limited circumstances. To learn more, visit www.dor.wa.gov and type "penalty waiver request" in the search field or call (800) 647-7706.

Damaged Timber Adjustment — This tax adjustment is for people harvesting trees due to unforeseen natural disasters. In order to qualify you need to make an application prior to harvest. To apply, complete the damaged timber adjustment application. To learn more, visit www.foresttax.dor.wa.gov or call (800) 548-8829.

DID YOU KNOW?

*No area is disaster proof.
Every county in the state
has been included in at
least one presidentially-
declared major disaster
since January 1996.*

DISASTER UNEMPLOYMENT ASSISTANCE

Disaster unemployment assistance can provide weekly benefits for up to 26 weeks following the date of the declaration of the disaster. You may be eligible if you are:

- Out of work as a result of the disaster
- Self-employed or a migrant/seasonal worker with income substantially affected due to the disaster
- An employee not covered by any other unemployment compensation
- A survivor who, as a result of the disaster, becomes head of household.

To find out more, contact the Employment Security Department at (877) 416-7274.

REMEMBER THIS:

If you need advice regarding your business, you can receive counseling from your local small business development center. Call (509) 358-7765 or visit www.wsdbc.org/contact to find an advising center near you. You can also receive assistance online from SCORE at: www.score.orgask_score.html

SMALL BUSINESS ADMINISTRATION LOANS

Following a declared disaster, the U.S Small Business Administration (SBA) helps homeowners, renters, and businesses of all sizes and private, nonprofit organizations fund repairs or rebuilding efforts of disaster damaged private property through low-interest federal disaster loans.

Businesses of all sizes and nonprofit organizations may borrow up to \$2 million to repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other assets.

For small businesses and most nonprofit organizations of any size, SBA offers Economic Injury Disaster Loans (EIDLs) of up to \$2 million to help meet working capital needs caused by the disaster. EIDL assistance is available regardless of whether the business had property damage.

For more information about SBA programs, visit www.sba.gov, or call SBA's Customer Service Center at (800) 659-2955.

INSURANCE CLAIMS

Report the loss right away to your insurance carrier. If possible, have your policy number handy and provide a general description of damages. [Getting Back to Business](#) walks through the steps that small business owners should take following a disaster, including the steps you should take if your insurance includes a business interruption clause.

If you have purchased flood insurance through the National Flood Insurance Program, you should immediately report the loss to the insurance company or agent who wrote the policy. You must file a proof of loss, a sworn statement that substantiates the insurance claim, within 60 days of the loss. The adjuster assigned to your claim should be able to provide you with this form. Your payment for loss will not exceed the value of the covered loss minus your deductible, up to the amount of insurance purchased.

The Office of the Insurance Commissioner provides information on a variety of insurance topics. Visit www.oic.wa.gov or call the 24-hour consumer hotline at (800) 562-6900.

WORKING WITH FEMA

The Federal Emergency Management Agency (FEMA) can connect you with disaster recovery resources and can assist with emergency preparedness. However, FEMA is not generally a direct provider of disaster recovery assistance to businesses.

FEMA provides a Web portal, www.DisasterAssistance.gov, where you can go to learn about the types of federal assistance you may be eligible for and register for benefits online. The online process takes approximately 20 minutes. You can also register over the phone at (800) 621-FEMA (3362).

SHORT-TERM IMPACTS TO OPERATIONS AND SALES

Your short-term operations and sales could be impacted even if you did not experience direct damage to your facility. Possible impacts could include:

- Perception from your customers that your business is closed
- Inability to access your business
- Loss of critical suppliers
- Change in short-term buying habits (for example, more building or repair purchases and less discretionary spending).

If you experienced damage, you may need to temporarily relocate or cease operations. If so, you may need to report this to a variety of state and local agencies. For help, call the Office of Regulatory Assistance Information Center at (360) 407-7037 or (800) 917-0043.

REPAIR & CLEAN UP

CHOOSING A CONTRACTOR

After a disaster, dishonest contractors may come into an area to rip off those seeking to rebuild. To ensure that you do not become a victim of fraud, make sure the contractor you use is registered, actively licensed, with a bond and insurance, and an electrician, plumber, elevator mechanic or manufactured home installer is certified (licensed) in Washington. Visit www.HiringaContractor.lni.wa.gov or call (800) 647-0982.

Before proceeding, you should ask for a written estimate clearly stating the work to be performed and the costs. Avoid making on-the-spot cash payments or paying before the work is completed, permitted and inspected where required. A reputable contractor should not pressure you if the job is not completed properly.

FEMA and the Washington Emergency Management Division do not recommend or endorse any contractors. Be cautious if any contractors claim they are authorized by FEMA or WEMD. They are not.

If you suspect you have been defrauded or to report contractor violations, visit www.fraud.lni.wa.gov or call the fraud phone line at (888) 811-5974.

ELECTRICAL INSPECTIONS

If your facility's electrical system has been submerged in water, be sure to have an electrical inspection before turning your power back on. Even if your electricity is currently working, water or debris could create a fire hazard months or even years later.

The Department of Labor and Industries (L&I) in conjunction with local governments and utilities will conduct inspections of flooded buildings. This initial inspection is free. (If additional work is needed, fees will be charged for subsequent inspections.)

If electrical problems are found, you:

- Will be given a list of what has to be repaired,
- Must get a normal electrical permit, make the repairs, and get an L&I approval inspection.

You can get an electrical permit at any L&I office or online at: <http://www.lni.wa.gov/TradesLicensing/Electrical/FeePermInsp/default.asp>.

As soon as the inspector determines your electrical system is safe, L&I will notify your electrical utility that it is okay to turn your power on.

OTHER INSPECTIONS

If your facility has been damaged, you should have it inspected before reentering. You may also need to have it inspected after certain repairs are completed or after installing appliances such as water heaters or furnaces. To request an inspection, contact your local building department. For flood damaged elevators or conveyances, you should make sure they are safe to operate by having them inspected and repaired by your servicing elevator contractor prior to use by employees or the public.

Your HVAC system should be inspected before turning it on because it could be contaminated. Recommendations for cleaning and remediation of HVAC systems can be found at www.cdc.gov/niosh/topics/emres/Cleaning-Flood-HVAC.html.

If you don't know who to contact regarding inspections, call the Office of Regulatory Assistance Information Center at (360) 407-7037 or toll free at (800) 917-0043.

REMEMBER THIS:

The Washington State Bar

Association maintains a

local lawyer referral service:

www.wsba.org/atj/contact/

[lawref.htm](#)

DEBRIS & HAZARDOUS MATERIALS CLEAN UP

Potential chemical hazards may be encountered during the repair and recovery efforts. Flooding could move containers of hazardous substances from their normal storage places.

Do not try to remove any propane tanks — they represent a real danger of fire or explosion. The federal Environmental Protection Agency (EPA) urges you to call the police or fire department to report locations of tanks. For information on how to dispose of unknown substances or hazardous materials, call your local health department or Ecology at (800) 633-7585. In King County, contact the Business Waste Line at (206) 263-8899 or (800) 325-6165, extension 3-889.

You don't have to be a manufacturer to have hazardous waste after a flood. Retailers might have to dispose of flood-damaged hazardous products such as garden pesticides or pool chemicals. For guidance on what to do after a flood visit the Department of Ecology's webpage, www.ecy.wa.gov/programs/hwtr/Floods/flood_debris.html.

This webpage describes what to look for and how to protect yourself from debris and contains a directory of businesses that can help you dispose of your wastes properly.

BE CAREFUL:

Mold is a major health risk

that shouldn't be taken

lightly! People with certain

health issues may be

particularly susceptible to

its harmful effects.

PROTECTING YOURSELF AGAINST MOLD

If your facility has been flooded and closed up for several days, you should assume it has been contaminated with mold. If you plan to be inside the building for a while or to clean up mold, buy an N95 mask from a building supply store and wear it in the building.

The EPA offers a guide titled *Mold Remediation in Schools and Commercial Buildings*. You can access the guide online at www.epa.gov/mold/mold_remediation.html or request a free copy by calling (800) 438-4318 and using document number EPA 402-K-01-001.

REBUILDING YOUR BUSINESS

If your property has flood damage, you will need to get the proper permits before rebuilding. This ensures that the proposed work complies with current codes, standards, flood ordinances and recommended construction techniques. The permit includes an elevation certificate, which provides a permanent record of compliance with applicable elevation and/or retrofitting requirements. This is necessary for a flood insurance rating.

Your local building department can provide information on finding licensed contractors, avoiding unscrupulous contractors, and protecting your business from future disaster-related damage. You can also look up contractors online at: www.hiringacontractor.lni.wa.gov or by calling (800) 647-0982.

The Office of Regulatory Assistance Information Center can answer questions about local, state and federal permits and regulatory requirements or connect you with the people who can. Call (360) 407-7037 or toll free at (800) 917-0043.

Why flood insurance?

Of Washington's 43 Presidential disaster declarations, 31 involved flooding. Business owners can buy flood insurance coverage on both contents and qualifying structures as long as their community participates in the federal flood insurance program. To find a list of agents who sell coverage in your area, call (888) 379-9631 or visit www.floodsmart.gov.

OTHER CONSIDERATIONS

REPAIRING ESSENTIAL RECORDS

Reconstructing records can be an expensive, messy and time-consuming process. However, this is essential for receiving certain benefits and getting back on your feet. The best protection for records is duplication at an alternative location. If your essential records are damaged and you don't have backups or a way to get copies, you will want to develop a plan and act quickly to recover those records. Essential records can be on any media and either document legal authorities, rights, responsibilities, and financial status or are necessary to resume and restore operations.

Water-damaged paper records can either be air dried or frozen. When materials are slightly damp, and the quantity is considered manageable, air-drying may be considered. If the material is soaked, it should be frozen, regardless of the quantity. Freezing and then drying with a thermal vacuum process can have several advantages but is also more expensive. Washington State Archives disaster recovery publications provide more detail about this and other record recovery methods. Visit www.sos.wa.gov/archives/RecordsManagement/DisasterPreparednessandRecovery.aspx.

Although these publications are designed for government agencies, they provide detailed information that could also be applied to business records recovery.

OBTAINING COPIES OF RECORDS

The IRS can provide copies of previously filed tax returns. Generally there is a fee for copies. If your main home, principal place of business, or tax records are located in a federally-declared disaster area, the fee will be waived if the name of the disaster is written in red across the top of [Form 4506, Request for Copy of Tax Return](#). The IRS will provide disaster victims or their return preparer with an expedited tax return transcript free of charge. Use [Form 4506-T, Request for Transcript of Tax Return](#) to request a transcript.

You may download these forms from the IRS website or order them by calling (800) 829-3676. These forms may also be available at your local IRS office.

Signing up for online banking could allow you to access banking records remotely if they have been destroyed. Most financial institutions now offer this service.

EMPLOYEE SUPPORT

Since employees who will rely on you for support after an emergency are your most valuable asset, consider the services that you could provide or arrange. These include:

- Cash advances
- Salary continuation
- Flexible work hours
- Reduced work hours
- Crisis counseling
- Care packages
- Day care
- Housing Relocation

OPPORTUNITIES TO PROVIDE SERVICES

You can register to provide emergency response services at WEBS, the state's online bid notification system. If you wish to provide clean up, supplies, or hot meals, choose commodity code 97911 as well as any other codes that apply to you. Emergency medical services providers would select commodity code 97101.

Visit: www.ga.wa.gov/business or call (360) 902-7400.

DID YOU KNOW?

You can register to provide emergency response services such as clean up, supplies, hot meals or medical services at WEBS, the state's online bid notification system.

USDA FARM SERVICE AGENCY ASSISTANCE PROGRAMS

The following disaster programs are available to assist farmers and ranchers who suffer damage due to flooding. For some programs, funds may be limited. For more information or to apply for these programs, contact your local USDA Farm Service Agency (FSA) office (listed at the back of this guide) or visit: www.fsa.usda.gov.

DID YOU KNOW?

*The Washington State
Department of Agriculture
has developed a
disaster checklist for
farmers and ranchers at
[agr.wa.gov/FoodSecurity/
2009FloodInformation.pdf](http://agr.wa.gov/FoodSecurity/2009FloodInformation.pdf).*

Emergency Conservation Program

This cost-share program pays up to 75 percent of the cost to implement emergency conservation practices as determined by FSA county committees. Practices include debris removal, grading and silt incorporation, fence repair and repair to certain conservation practices. County committees approve individual or cumulative requests for cost sharing of up to \$200,000 per person per disaster.

Livestock Indemnity Program

This program compensates livestock owners and contract growers for livestock death losses due to natural disasters. The livestock must have been maintained for commercial use as part of a farming operation. Eligible losses must occur before Oct. 1, 2011.

Tree Assistance Program

This program compensates specialty crop farmers to replant trees and vines destroyed by a natural disaster.

Non-Insured Crop Disaster Assistance Program (NAP)

NAP provides financial assistance to producers of non-insurable crops when low yields, loss of inventory or prevented planting occur due to natural disasters. NAP coverage must be purchased prior to program closing dates and prior to a natural disaster occurring. Producers with losses and NAP coverage should contact their FSA office within 15 calendar days after one of the following:

- Natural disaster occurrence
- Final planting date if planting was prevented by the natural disaster
- Date damage to the crop or loss of production becomes apparent to you.

Supplemental Revenue Assistance Payment Program

SURE payments are made when there is a farm revenue loss resulting from a natural disaster. Payments are made when there has been a production or crop quality loss. The payments are in addition to crop insurance or NAP payments (see above).

To be eligible for SURE, a producer must have purchased crop insurance or NAP coverage on all crops prior to the disaster.

Emergency Loan Program

Low-interest loans are available to restore or replace essential property, pay all or part of production costs associated with the disaster year, pay essential family living expenses, reorganize the farming operation, and refinance certain debts.

Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000 provided certain criteria are met. Applications for emergency loans must be received within eight months of the county's disaster or quarantine designation date.

HELPFUL CONTACTS *

FEDERAL AGENCIES

FEMA Disaster Helpline: (800) 621-3362

FEMA Fraud Detection: (800) 323-8603

National Flood Insurance Program

Obtain policy / information: (800) 638-6220

Policyholders / claims: (800) 767-4341

Small Business Administration: (800) 366-6303

USDA Farm Service Agency (So. King & Pierce counties): (253) 845-9272

Internal Revenue Service: (800) 829-1040

Tacoma: 1201 Pacific Avenue 98402, (253) 428-3518

Bellevue: 520 112th Avenue NE 98004, (425) 456-9637

STATE AGENCIES

Office of Regulatory Assistance Helpline: (800) 917-0043

Emergency Management Division: (800) 562-6108

Attorney General Consumer Protection Division: (800) 551-4636

Department of Labor and Industries: www.lni.wa.gov

Tukwila Office: (206) 835-1000

Small Business Liaison: (800) 987-0145

Employment Security Department Disaster Unemployment: (877) 416-7274

Department of Revenue: (800) 647-7706

Agricultural Disasters: agr.wa.gov/FoodSecurity/ (360) 725-5508

WEB PORTALS

Access Washington Emergency Information and Resources:

www.access.wa.gov/emergency

King County Regional Flood Preparedness:

www.kingcounty.gov/floodplans

State Green River Flooding Site:

www.emd.wa.gov/activations/GreenRiverFlooding.shtml

Federal Disaster Assistance Portal:

www.DisasterAssistance.gov

IRS Disaster Assistance and Emergency Relief for Individuals and Businesses:

www.irs.gov/businesses/small/article/0,,id=156138,00.html

REMEMBER THIS:

King County's Regional

Flood Preparedness

Web portal,

www.kingcounty.gov/floodplans

is the best place to check

for updated information.

* The contacts in this *Recovery Guide* edition are targeted at King County businesses.

REMEMBER THIS:

Take care of yourself!

Visit www.emd.wa.gov

for information on

personal as well as

business recovery.

LOCAL AGENCIES

Local contacts will vary depending on your business location. Use the space below to keep track of local contacts. Call (360) 407-7037 or (800) 917-0043 for referrals.

Local building department: _____

City license and tax information: _____

Local health department: _____

Local chamber of commerce: _____

Economic development office: _____

OTHER RESOURCES

These organizations can also provide you with local referrals. Use the space below to keep track of local contacts:

Small Business Development Center: <http://www.wsfdc.org/contact> (509) 538-7765

Advising center nearest you: _____

SCORE: www.score.org/findscore

Location nearest you: _____

State Bar Association Lawyer Referral: www.wsba.org/atj/contact/lawref.htm

Lawyer referral: _____

Advice from a small business owner

- Have a plan in place to before a flood happens to raise inventory, computer equipment, and valuable paper and records above the water line.
- Flooded papers can be saved if carefully separated and dried on a flat surface. Then copy them and toss them; these papers get mold on them.
- Realize that you have the ability to salvage inventory and at least get your cost out of lots of flooded goods. Time is of the essence. You must act quickly. Do not underestimate the damage flood water can do.
- Don't be afraid to ask for help; friends and relatives will amaze you.

This advice comes from a Lewis County small business owner who recovered from flooding.

Comments or suggestions for this guide? Please email smallbusiness@commerce.wa.gov